

Message Text

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11

ACTION AF-07

INFO OCT-01 ISO-00 OPIC-03 EB-07 AID-05 CIAE-00 INR-05

NSAE-00 RSC-01 COME-00 TRSE-00 SSO-00 INRE-00 L-02

OMB-01 /032 W

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O R 251000Z NOV 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC IMMEDIATE 6738

INFO AMEMBASSY ABIDJAN

AMEMBASSY DAKAR

AMEMBASSY LOME

AMEMBASSY YAOUNDE

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EO 11652: N/A

TAGS: OPIC, DM

SUBJ: EMBASSY COMMENTS ON LADD-MCCLELLAND REPORT

AF/W FOR RAMSAY; DEPT PASS OPIC FOR MS HENDERSON

REF A COTONOU 1794 B, LOME 2673

1. AS NOTED REF A, EMBASSY DISAGREES WITH SEVERAL INTERPRETATIVE PASSAGES IN SUBJECT REPORT. THEY SHOULD BE REVISED BEFORE FINAL TEXT IS PUBLISHED. POST HAS ALSO FOUND NUMEROUS FACTUAL EFFORS WHICH CAN EASILY BE CORRECTED. THESE WILL BE FORWARDED BY SEPTTEL.

2. AS FOR INTERPRETATIVE PASSAGES, THREE CHANGES SHOULD BE MADE. FIRST IS BACKGROUND HISTORY SECTION, PAGE 1 PARA 3. EMBASSY CONSIDERS TONE OF ORIGINAL TEXT ON HISTORYOF DAHOMEAN ECONOMY TOO HARSH FOR INCLUSION IN USG SPONSORED REPORT. WE PROPOSE ENTIRE PARA BE REPLACED AS FOLLOWS:

IN PAST DAHOMEY'S ECONOMY HAS SUFFERED FROM LACK OF CENTRAL COORDINATION, AND THE GOVT BUDGET HAS ALMOST ALWAYS BEEN IN

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DEFICIT. THE PRESENT MILITAARY GOVT HAS ANNOUNCED IT IS DETER-

MINED TO END CORRUPTION, ELIMINATE WASTEFUL EXPENDITURE, IMPROVE REVENUES BY BETTER TAX COLLECTION AND BALANCE THE BUDGET AS SOON AS POSSIBLE. IF IT CAN SUCCEED IN THIS TASK, IT WILL WIN WIDE REPECT AT HOME AND ABORAD.

3. SECTION V. 3, BUSINESS INVESTMENT CLIMATE, PAGE 34 PARA 3: EMBASSY BLIEVES MAJOR CAUSE OF PAST POLITICAL INSTABILITY HAS BEEN INTERNAL FRICTION BETWEEN REGIONAL GROUPS, WHICH HAS HAD LITTLE IF ANY EFFECT ON PRIVATE INVESTMENT. THEREFORE CAVEAT IN ORIGINAL TEXT TO PROSPECTIVE INVESTORS TO "WEIGHT CAREFULLY CAUSES" FOR POLITICAL INSTABILITY IS BOTH MISLEADING AND UNFAIR. POLITICAL CLIMATE HAS THUS FAR NOT GREATLY AFFECTED PRIVATE BUSINESS SECTOR, THOUGH WE AGREE THERE COULD BE CHANGE IN THE FUTURE. FOLLOWING SHOULD BE SUBSTITUTED FOR PARA 3:

DESPITE A HISTORY OF FREQUENT CHANGE IN POLITICAL LEADERSHIP, THE GOVT OF DAHOMEY HAS ALWAYS MAINTAINED A FRIENDLY ATTITUDE TOWARDS FOREIGN PRIVATE INVESTORS. ALTHOUGH ECONOMIC NATIONALISM IS BEGINNING TO APPEAR, PRIVATE BUSINESS HAS SO FAR NOT BEEN ADVERSELY AFFECTED BY THE VARIOUS CHANGES IN GOVERNMENTS. ALTHOUGH SOME NEW TAXES HAVE BEEN LEVIED ON SALES AND BUSINESS FIRMS HAVE BEEN URGED TO INVEST LOCALLY, THERE HAS BEEN NO DIRECT INTERFERENCE IN THE AFFAIRS OF BUSINESS FIRMS.

4. SECTION VI, TRAINING, PAGE 35 PARA 3. WE AGREE WITH ASSESSMENT THAT DAHOMEAN GOVT FACES TREMENDOUS UNEMPLOYMENT PROBLEM AND HAS SO FAR FAILED TO FIND AN ADEQUATE SOLUTION. HOWEVER, DAHOMEAN EDUCATIONAL SYSTEM PRODUCES, IF ANYTHING, NOT "POORLY EDUCATED" STUDENTS AS STATED IN ORIGINAL DRAFT BUT ONES WHO ARE OVER QUALIFIED FOR THE AVAILABLE JOBS. THEREFORE SUGGEST SENTENCES 2 AND 3 BE REPLACED BY FOLLOWING:

FURTHERMORE THE EDUCATIONAL SYSTEM EACH YEAR PRODUCES A LARGE NUMBER OF QUALIFIED YOUNG PEOPLE WHO ARE UNABLE TO FIND EMPLOYMENT IN DAHOMEY'S LARGELY AGRARIAN ECONOMY. SO FAR, DESPITE GOVERNMENT EFFORTS, WAYS HAVE NOT BEEN FOUND TO CREATE SIGNIFICANT NUMBERS OF NEW JOBS. THE GOVT HOPES THAT THE FOREIGN INVESTMENT PROJECTS NOW UNDER STUDY WILL RELIEVE THE PRESSURE.

5. WE CONCUR WITH REVISIONS IN PREFACE SUGGESTED BY EMBASSY
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LOME (REF B PARA 4-5)

6. CORRECTION OF FACTUAL ERRORS FOLLOW SEPTTEL.
ENGLE

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 25 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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Document Source: CORE
Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740341-0343
From: COTONOU
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19741116/aaaaamvu.tel
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30 JUN 2005

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